

## **MINUTES OF MEETING NORTH SPRINGS IMPROVEMENT DISTRICT**

The regular meeting of the Board of Supervisors of the North Springs Improvement District was held Wednesday, August 7, 2013 at 5:01 p.m. in the district office, 9700 N.W. 52<sup>nd</sup> Street, Coral Springs, Florida.

Present and constituting a quorum were:

David Gray	President
Vincent Morretti	Secretary
Mark Capwell	Assistant Secretary

Also present were:

Dennis Lyles	District Counsel
Rod Colon	Director of Operations
Jane Early	District Engineer by telephone
Brenda Richard	District Clerk
Mimi Ortega	NSID
Nick Schooley	Drainage Supervisor
Donna Holiday	GMS-South Florida, LLC

### **FIRST ORDER OF BUSINESS**

#### **Roll Call**

Mr. Colon called the meeting to order at 5:01 p.m.

### **SECOND ORDER OF BUSINESS**

#### **Approval of the Minutes of the July 10, 2013 Meeting**

Mr. Colon stated the next item is approval of the minutes of the July 10, 2013 meeting.

On MOTION by Mr. Gray seconded by Mr. Morretti with all in favor the minutes of the July 10, 2013 meeting were approved as presented.

**THIRD ORDER OF BUSINESS**

**Public Hearing to Consider the Adoption  
of the General Fund, Heron Bay  
Commons, Parkland Isles, Heron Bay  
Mitigation and Debt Service Budgets for  
Fiscal Year 2014 Resolution 2013-13 and  
Levy of Non-Ad Valorem Assessments  
Resolution 2013-14**

Mr. Colon stated the third order of business is to reset the public hearing to consider the adoption of the general fund, Heron Bay Commons, Parkland Isles, Heron Bay Mitigation and debt service budgets for fiscal year 2014. We previously set a budget hearing and we are asking to reset that because of some technicalities that need to be taken care of in regards to the budget meeting. We are proposing to set the budget hearing for September 12, 2013.

Mr. Lyles stated I'm looking at the resolution that is coming up in a moment regarding a public hearing on September 4<sup>th</sup>.

Ms. Richard stated it will be September 12<sup>th</sup> I changed the resolution.

Mr. Lyles stated a motion would be in order and staff will ensure that the necessary publication is done to conform to the schedule that the board is approving today.

On MOTION by Mr. Gray seconded by Mr. Morretti with all in favor the public hearing to consider the adoption of the general fund, Heron Bay Commons, Parkland Isles, Heron Bay Mitigation and debt service budgets for fiscal year 2014 was rescheduled to September 12, 2013.

**FOURTH ORDER OF BUSINESS**

**Approval of Resolution 2013-15  
Approving the Proposed Water and Sewer  
Budget for Fiscal Year 2014 and Setting  
Public Hearing**

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Mr. Colon stated the next item is approval of Resolution 2013-15 approving the proposed water and sewer budget for fiscal year 2014 and setting the public hearing for September 12, 2013. In your package you have the water and sewer budget, are there any questions?

There not being any,

On MOTION by Mr. Gray seconded by Mr. Morretti with all in favor Resolution 2013-15 was approved.
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**FIFTH ORDER OF BUSINESS**

**Staff Reports**

**A. Manager**

**I. Reset Public Hearing to Amend Schedule Relating to Water and Sewer Rates and Charges**

Mr. Colon stated the next item is to reset the public hearing to amend the schedule relating to water and sewer rates and charges.

Ms. Richard stated we are still working on the rates.

Mr. Lyles stated I don't think this has been approved by engineering and other staff. We circulated a number of drafts but it is still being reviewed by the underwriters, consulting engineers from CH2M Hill, the engineers for the affected property owners in the Wedge and it is still being drafted, revised and re-circulated along with a lot of other documents that are tied in with your bond issue but it is not ready at this time as well as the bond documents themselves, we are getting there but we are not done yet. We had hoped to be able to do it next month but it needs to be reset for a future date. It was not advertised we are just notifying the board that it is being postponed. It does not require a resolution it is informational only.

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**II. Reset Public Hearing to Amend Permit Criteria Manual and Certain Rates and Fees Related to Surface Water Management, Stormwater and Right of Way Permits**

Mr. Colon stated the next item is to reset the public hearing to amend the permit criteria manual and certain rates and fees related to surface water management, stormwater and right of way permits.

Ms. Richard asked do you want to do that in September or October?

Mr. Colon stated I think we would be set to do it in September.

Mr. Lyles stated I will point out that as things stand now you are going to have a long list of public hearings in September. I don't know that this is one that necessarily needs to be done in September you might want to consider October for this particular one.

**III. Discussion of District's Retirement Plan and Consideration of Nationwide Proposal**

Mr. Colon stated the next item is discussion of the district's retirement plan and consideration of the Nationwide proposal. In your agenda packets there is a letter that was generated by our agent from Morgan Stanley and a memorandum created by myself talking about the benefits of switching from our current benefits provider our retirement plan service agent of ICMA to Nationwide and have a cost savings to the district. Currently the district has two separate retirement accounts, a 457 Plan with one provider Mass Mutual and another 457 Plan with ICMA and a 401A Plan. We would like to consolidate our retirement accounts into one service provider and we would also have a cost savings to the district of about 1.4%. It wouldn't have any increased cost to the budget.

Mr. Gray asked if there is a cost savings and there is no issue with the transfer or changeover or anything else for our current employees and the retirement accounts they just absorb them and give them new options?

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Mr. Colon responded that is correct.

Mr. Lyles stated because there will be documents and agreements and things that will also have to be approved by you to actually implement it I think what staff is asking for today is permission to go forward with this and bring the necessary paperwork in front of you for formal action. Obviously, you don't have any details in front of you today but you will once we get the green light today and go forward with it.

On MOTION by Mr. Gray seconded by Mr. Morretti with all in favor staff was authorized to move forward with the changeover to Nationwide on the retirement accounts.

**IV. Consideration of Change Order No. 1 with Adome Corporation for RFP 2012-01 Municipal Finance Software for a Net Increase of \$46,000**

Mr. Colon stated the next item is consideration of change order no. 1 with Adome Corporation for RFP 2012-01 municipal finance software for a net increase of \$46,000. Last meeting the board approved cancelling the contract to build a tower here on property. As a result there will be a cost savings to the overall project but we would still need to lease tower space and in doing so we would have to go ahead and get that information back here. There are also some other things that we need to do to incorporate that into the municipal finance software system. In your packet there is a list of things that the contractor would be doing to implement those changes. We feel the changes are necessary in order to make the system work with our automatic meter-reading program. We are asking the board to consider the change order.

Mr. Gray stated item number four is integration of latest billing cycles of the CSID system to mirror the NSID system for the next 6 months through data conversion files. Is that because they are currently doing CSID system right now?

Mr. Colon responded no, what is happening is CSID is currently handling our utility billing software and it is a totally separate AS400 system and they are taking those data files and keeping our system over here kind of like a mirror system and keeping it updated. It is a lot of work because every time there are re-reads or anything like that the two software programs are not compatible so it has to be done with manual input for client accounts, customer accounts and so forth. We would like to mirror the system so that when we finally do switch over to our own utility billing system we would have the same information that CSID does.

Mr. Gray stated we should have a cost savings over time and at least an immediate difference in price in not having built the tower.

Mr. Colon responded that is correct. The cost savings will be about \$160,000.

On MOTION by Mr. Gray seconded by Mr. Morretti with all in favor change order no. 1 with Adome Corporation municipal finance software for a net increase of \$46,000 was approved.

#### **V. Consideration of Meeting Schedule for Fiscal Year 2014**

Mr. Colon stated the next item is consideration of meeting schedule for fiscal year 2014. Do those dates work for everyone?

Mr. Gray stated the only one that I think is questionable is July 2<sup>nd</sup>.

Mr. Capwell stated I think the second week would be better.

Ms. Richard stated we can move that to the second Wednesday.

On MOTION by Mr. Gray seconded by Mr. Morretti with all in favor the fiscal year 2014 meeting schedule was approved as amended.

**VI. Award of Contract for Repair of Nob Hill Road Sidewalks within Broward County Right of Way**

Mr. Colon stated the next item is award of contract for repair of Nob Hill Road sidewalks within Broward County right of way. Century Building Restoration was originally contracted to complete this project. They completed the installation of the 20" force main and during the inspection Broward County found that they had damaged the sidewalk and some curbing. Century acknowledges that they did some damage but they recently sent a letter to the district indicating that they are going to close their operations and they are not going to be doing any more work. I believe they may be filing for bankruptcy but they sent a letter saying they are not going to complete the repairs. Because of the urgency of the school year starting the City of Parkland and Broward County wanted this project to be done quickly. We went out and obtained three quotes to complete the work. There is enough money in retainage and the contract to finish the work so that there will not be a cost increase to the project. At this time staff is recommending that we go with the low bidder, Ruzzano Construction in the amount of \$114,000 to complete the project.

Mr. Gray asked the rest of the work is complete except for that?

Mr. Colon responded yes. The force main even got clearance from Broward County it is really repairs to the sidewalk and some curbs.

Mr. Gray stated repairs for damage caused by the contractor that he should be repairing but he doesn't have the money and is going bankrupt.

Mr. Colon responded yes.

Mr. Gray stated he wrote a letter indicating that he can't finish the project.

Mr. Lyles stated this is remedial work this is not part of the project. They damaged county and city sidewalks while they were doing this work, they agreed they caused a lot of this damage they didn't concede every point but in the meantime we have to get it repaired as the owner. Between the insurance claim against their carrier

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and the retainage, which has been held back staff advises that we have this completion covered and will not result in any additional cost to NSID and its assessment payers but we do need to have the board approve Ruzzano as the low bidder on this project to get it done on the timetable that the county and city have demanded that we pursue because of the school year that is about to start.

On MOTION by Mr. Gray seconded by Mr. Morretti with all in favor the contract for the repair of the Nob Hill Road sidewalks was awarded to Ruzzano Construction in the amount of their low proposal of \$114,000.

**B. Attorney**

Mr. Lyles stated I have no new items to bring to the board's attention this month. I will tell you that just as a continuing item we check with special counsel regarding the litigation with the county over the Wedge and over the Large User Agreement and they confirmed yesterday that we don't have any new developments or things to be brought to the board's attention this particular month.

**C. Engineer**

Ms. Early joined the meeting at this time by telephone conference.

**I. Consideration of Change Order No. 4 for Project No. 414773 RO Plant Construction for Net Increase in the Amount of \$1,025,145.57**

Mr. Colon stated the next item is consideration of change order no. 4 for project no. 414773 RO Plant construction for a net increase in the amount of \$1,025,145.57. Can you explain that to the board?

Ms. Early stated that change order is for the concentrate line and the air gap that we are going to have. When we originally did the plans we only had preliminary



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drawings to get them into the county for permitting and then a few months after we got the finalized plans they had to go through and cost it out on what it was going to take to do it. Part of it is a credit for the permitting that was over \$200,000.

Mr. Gray stated the part I don't understand is that it says that the additional costs are due to final drawing preparation. Wouldn't final drawing preparations be in the original contract? I don't understand the additional cost.

Mr. Colon stated I brought the plans for the revisions so that I could show the board. The original contractor was given this set that contains about 25 pages once it went to permitting they had to add 74 pages with extreme detail and the contractor gave a price on the preliminary based on what they were given from the engineer. The workload has increase seven times and some things that the county is requiring us to do that we didn't know that we had to do.

Ms. Early stated we had to change it from an actual tank to an air gap that they wanted. The county made us do a lot of different things.

Mr. Gray stated this is to bring it up to their specifications.

Ms. Early responded right. In order to have that concentrate discharge into the county system we had to go across Target and across Westview and they wanted an air gap and we originally just had a storage tank and now it is a much larger holding tank much like a wet well.

Mr. Gray stated as long as we are required to do it by the county is what you are saying these are things they added to our permit.

Mr. Colon responded that is correct. Just for the record this isn't just for the concentrate line there are other provisions in here such as the generator sizes.

Ms. Early stated also the scrubbers were added. It is not just the concentrate line there was a lot of additional equipment that we had to add.

On MOTION by Mr. Gray seconded by Mr. Morretti with all in favor change order no. 4 for project no. 414773 RO Plant for a net increase of \$1,025,145.57 was approved.

**II. Consideration of Work Authorization No. 221 for Chemical Feed System Improvements, Permit Modification in the Amounts set Forth on Page 3 of Said Work Authorization**

Ms. Early stated we were changing the chemical feed system because the one that was installed didn't work and we changed the entire system and in order to get a certification on that chemical system we now have to go back to the health department, they want a permit modification, which includes calculations showing that we had 30 days, we have to have as-built drawings, there is a lot of work involved in doing that modification. We met with them several times already to see exactly the detail that they want and the information that they want. We had to do that in order to get that chemical building certified through the health department.

Mr. Gray stated this is based on the fact that the other system didn't work.

Mr. Colon stated that is correct. We actually withheld payment from the contractor as you will recall.

Ms. Early stated we didn't pay them for that.

On MOTION by Mr. Gray seconded by Mr. Morretti with all in favor work authorization no. 221 for the chemical feed system improvements was approved.

**III. Ratification of Approval of Work Authorization 222 Master Engineer's Report for Water Management Improvements in Wedge Water Management Unit Areas, Water Control Plan, Reuse Water Rates, Wastewater and Reuse Connection Fees and Addendums to Master Engineer's Report in the Amount of \$88,310 and Additional Services as Outlined**

Mr. Colon stated the next item is ratification of approval of work authorization 222 master engineer's report for water management improvement in Wedge, water management unit areas, water control plan, reuse water rates, wastewater and reuse connection fees and addendums to master engineer's report in the amount of \$88,310 and additional services as outlined. This is basically work for the development that is going to be going on in the Wedge and parts of the outskirts of the Wedge. It will be reimbursed back to the district in a bond.

On MOTION by Mr. Gray seconded by Mr. Morretti with all in favor work authorization 222 relating to the master engineer's report for the Wedge in the amount of \$88,310 was ratified.

**IV. Consideration of Amendment 3 to Work Authorization No. 200 Heron Bay Bond Completion Work for a Net Increase in the Amount of \$20,000**

Mr. Colon stated the next engineering item is consideration of amendment 3 to work authorization 200 Heron Bay bond completion work for a net increase in the amount of \$20,000.

Ms. Early stated that is for the construction for the sidewalks that is going on. WCI is doing the construction, we are the engineer of record, they are paying for all of the construction. There are some issues going across the FP&L driveway and WCI has worked with FP&L and received permission for us to take out the driveway and redo the plans because between the booster station and sidewalk the berm isn't as high as it is on the remaining area. We also had to get a permit with the City of Parkland because Broward County won't take County Line Road so we did a permit application and worked through the City of Parkland and they have actually issued the permit. We are still building it to the county standards and that is why I wanted to rework the driveway in order to meet the ADA requirements.

Mr. Gray asked is WCI paying for that? Is it coming out of the bond?

Ms. Early responded yes there is remaining money in the bond fund and once the project is complete whatever is remaining will be reimbursed to WCI to cover some of their construction costs.

Mr. Gray stated currently this will come out of the money in the bond fund.

Ms. Early responded yes.

On MOTION by Mr. Gray seconded by Mr. Capwell with all in favor amendment no. 3 to work authorization 200 Heron Bay bond completion work for a net increase of \$20,000 was approved.

#### **V. Project Status Report**

Ms. Early stated you have the project status report. The force mains on County Line Road are installed, we are in the process of going through certifications. The 20" force main on Nob Hill Road we are trying to move that along to get the damage that was done corrected so that we can get a certification through the county. We are working on the bonds as you know, that was the one work authorization and we have been working on those for three months now. The RO Plant is really starting to move along.

Ms. Early left the conference call at this time.

#### **SIXTH ORDER OF BUSINESS**

##### **Supervisors Requests**

Mr. Colon stated we have an award that was given to us by the Broward County Waterway Clean-up that was done on March 16, 2013. Nick's personnel participated in this clean up and it was very successful.

Mr. Schooley stated every year we donate funds to the waterway clean up and they send us a plaque. We clean our own canals we don't go off site. If we have bad

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areas all I have to do is let them know and they will send kids to come out to help. Most of it is kids and there are a lot of organizations.

Mr. Capwell asked is it for the kids' community service hours?

Mr. Schooley responded I think probably a lot of it is. Sometimes the schools are involved and organizations. It is a good countywide project that is done every year.

**Encroachment Agreement Costs**

Mr. Colon stated the next item is the encroachment agreement costs that was requested at the last meeting.

Ms. Richard stated as you will recall I was directed to find out the average cost for us to issue an encroachment agreement, to do the review and legal fee. The cost comes out to be approximately \$315 per agreement on average. I believe you said that we may want to charge a fee to residents who ask for a variance to the policy to do an encroachment agreement.

Mr. Gray stated they should at least cover our costs and I'm fine with that.

Mr. Colon stated this was for information and staff could look into a rate schedule.

**SEVENTH ORDER OF BUSINESS**

**Approval of Financials and Check Registers**

Mr. Colon stated the next item is approval of financials and check registers.

On MOTION by Mr. Gray seconded by Mr. Capwell with all in favor the financials and check registers were approved.

Mr. Lyles stated before you adjourn I will remind you that during last month's meeting there was some discussion about considering alternative approaches to the

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litigation with the county and Mr. Capwell indicated that he would take it upon himself to talk to your special counsel, Michael Joblove. They spoke on the phone and they talked about the issues and I believe one of the things that came out of the discussion as I understand it was the idea of having what is called a shade session or an attorney/client session. As you know your meetings are noticed to the public in the newspaper and on our website and the public is invited to participate, the recorder is going and everything is totally in the open as required by the sunshine law. There is a limited exemption for matters that arise out of ongoing litigation in which we are a party. We are empowered to if we take the proper steps to notify the public and put in our agenda correctly during the course of a regular public meeting can retreat from the public meeting and have this attorney/client session. In the attorney/client session the only people that are allowed to participate would be board members, the manager of the district and the district's legal counsel. It is confidential in the sense that it is not open to the public, however, a court reporter is required to be present and to take down every word that is spoken by anybody who is in the room and to maintain a transcript of the meeting. At the conclusion of the meeting in which you are allowed to discuss strategy issues and settlement negotiations with your counsel we return to the public meeting, reopen the public meeting and go on from there. A record is kept of the meeting, when the litigation is concluded that transcript becomes a public record. It is not a public record until the litigation is over. You would have the opportunity to discuss strategy and potential settlement if there is settlement on the table with your special counsel and with me during one of these closed-door sessions. We have to notify the public, it has to be part of our agenda process and no Brenda, no Jane no other consultants for the district and it is within your authority to say yes you would like to have such a session. We would have to make sure Mr. Joblove is available to be here for it so he can outline the strategy issues and answer your strategy and settlement type questions. That is something that was brought up as a potential during Mr.

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Capwell's conversation with Mr. Joblove. It is the only way for all three of you to be in the same room at the same time with your counsel and one another and decide on a course that you want to pursue. It is certainly not required and in fact it is not common because we don't have a lot of litigation but it is done virtually every month here in Broward County by a city or the county or the school board or somebody.

Mr. Gray asked we open our regular meeting then we leave the meeting and talk to counsel?

Mr. Lyles responded actually what would happen is we would ask everyone to leave, you would stay here and then we would be here with the court reporter and resume the public meeting afterward. It has to be in the middle of a public meeting.

Mr. Colon stated you can always meet with counsel individually without having to go through that.

Mr. Gray stated the advantage being that we could talk to each other compared to talking to him individually.

Mr. Lyles stated correct. A phone call to him is one call, in an attorney/client session we would have to notice the public, hire a court reporter and there would be a little bit of cost associated with it, nothing like the order of magnitude of what we are talking about but there is a cost associated with it.

Mr. Gray stated that is something to think about. First I would like an answer on where the current stuff is and proceed from that. That is a good idea. We currently don't have anything back from them.

Mr. Lyles stated I think staff can put together what we have spent so far.

Mr. Gray stated not just that, we are waiting on answers regarding the appeal.

Mr. Lyles stated the Fourth District Court of Appeal has not granted the writ yet that we submitted asking them to take it up and consider it. We are still waiting to hear from the Fourth DCA as to whether or not they are going to do that. I suspect that they will but they haven't notified us that they have yet. Maybe that will be our break point,

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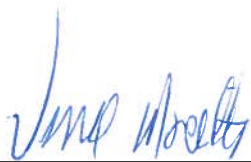
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let's see how that goes then other matters including the closed-door session would come after that.

Mr. Gray stated so that we don't have to do it multiple times I would rather wait until we have an answer on that.

Mr. Lyles stated I think that is logical and I think we should know by the next meeting.

On MOTION by Mr. Gray seconded by Mr. Capwell with all in favor the meeting adjourned at 5:37 p.m.



Vincent Morretti  
Secretary



David Gray  
President